

Means Committee of the House on February 13, 1895, but was defeated in the House the next day by a vote of 120 to 167, and the contract was left in force according to its original terms.

The peculiar feature of this contract for the exchange of bonds for gold *lay* in the provision that the purchasers of the bonds, <sup>te</sup> as far as lies in their power, will exert all financial influence and will make all legitimate efforts to protect the Treasury of the United States against the withdrawal of gold pending the complete performance of this contract." The fulfilment of this pledge was accomplished through the control over the foreign exchanges which was exercised by the firms which purchased the bonds. They brought into their syndicate the leading gold shipping houses, and foreign bills of exchange were placed upon the market for several months in just sufficient quantities to meet the current demand. The syndicate by this process created debts in Europe which it was necessary to cover at some time by the purchase of exchange or the shipment of gold. They guarded in a measure against possible losses by keeping the rate for the bills which they sold considerably above the gold shipping point. They thus, in effect, created a corner in foreign exchange and imposed the cost of their operations upon the purchasers of foreign bills. This method of controlling exchange operated with wonderful success all through the spring and up to the closing days of July. The tide of gold exports, which rose to \$24,698,489 in the month of January, was turned into net imports by the operations of the syndicate in bringing gold from Europe. February showed net imports of \$4,067,003 ; March, net imports of \$4,120,290; April, net imports of \$2,029,761 ; May, net im-of \$3,271,193 ; and June, net imports of \$1,963,750. The effect upon the treasury was equally striking. The redemptions of United States legal tender notes in gold, which had been \$45,117,738 in January, were reduced to \$5,560,952 in February, \$1,089,085 in March, \$^017,571 in April, \$1,166,472 in May, and \$1,239,287 in June.

The essential purpose of the contract, in spite of criticisms